



THE ARMY RESIDENTIAL COMMUNITIES INITIATIVE NEWSLETTER



Volume 1, Issue 1

August 2000



Honorable Mahlon Apgar, IV, Congressman Chet Edwards, Mr. Peter Koziol announce the Fort Hood RCI Award

Fort Hood Residential Communities Initiative Off To A Great Start

Secretary of the Army Louis Caldera recently announced the selection of the development partner for the family housing privatization project at Fort Hood, Texas. Under the Army's Residential Communities Initiative (RCI), a contract was awarded on June 28, 2000 to the Fort Hood Military Housing, Limited Partnership (LP), a joint venture between Lend Lease Actus and Trammell Crow Residential.

In a collaborative effort, the developer and the Army will work together to jointly forge a Community Development and Management Plan (CDMP), which will be the blueprint for the Army's residential community at Fort Hood. The CDMP will call for the Fort Hood Military Housing, LP to own, operate, manage and maintain all of the family housing at Fort Hood.

During the length of the contract, the developer will commit an estimated \$300 million for

renovation and construction of approximately 6,000 housing units. In addition, they will maintain the grounds of unoccupied and public areas; construct and maintain roads and infrastructure; and manage future renovations and replacements. The developer will also improve ancillary facilities, such as recreation facilities and community centers. The Fort Hood project is valued in excess of \$4 billion over a 50-year life.

The planning phase will take about six months. Upon acceptance of the CDMP by the Army, the Department of Defense and Congress, project implementation will begin. It is estimated that construction will begin in 2001.

The Fort Hood Residential Communities Initiative Project is the first contract to be awarded using the Army's new Request for Qualifications (RFQ) solicitation process. The RFQ emphasizes the following factors: experience; past performance of the developer in relevant projects; preliminary concept and strategy for Fort Hood; financial and organizational capabilities; expected financial return; and past and proposed use of small business subcontractors. The RFQ process promotes private industry involvement by streamlining the procurement process, making it easier and less expensive for developers to participate.

The public kickoff on the newest RCI project will take place on August 8, 2000 at Fort Hood. Representative Chet Edwards, (11th - D, Texas), The Honorable Mahlon Apgar, IV, Assistant Secretary of the Army for Installations and Environment, Lieutenant General Leon LaPorte, Fort Hood Commander and other senior Army leaders will participate in the signing ceremony with Peter Koziol, CEO of Lend Lease Actus, and

other top executives of the Fort Hood Military Housing, LP.

In July, Secretary Apgar, representatives from the Army RCI Task Force, Army Forces Command, and Fort Hood conducted a development partner introductory meeting with the Fort Hood Military Housing, LP at Fort McPherson, Ga. The CEOs of Lend Lease Actus and Trammell Crow Residential and their staffs were provided information on the RCI program objectives and the major components of Fort Hood. At the session, Secretary Apgar discussed future plans to coordinate issues such as master planning and design, environmental stewardship, policy, publicity events, and congressional liaison.

The Fort Hood Military Housing, LP introduced key members of their team and described their organizational structure. They said they were honored and excited about being a partner in the development of the Fort Hood RCI project and they looked forward to working with the Fort Hood Commander and his RCI Team.

The Army team is also looking forward to working with the Fort Hood Military Housing, LP to provide quality housing at Fort Hood. The implementation of the Army's Residential Communities Initiative at Fort Hood is one of the first major steps in reaching the Army's ultimate goal of eliminating all inadequate family housing. In order to sustain livable communities that improve the quality of life for our soldiers and their families, we must provide safe, attractive and affordable homes by designing, building and operating family communities that include housing and the amenities, that most Americans already enjoy in their neighborhoods.

For additional information on the Fort Hood RCI project, please contact Maj. Scott Schutzmeister, RCI Task Force Project Mgr. at 703-692-9891; or Robert Erwin, Fort Hood RCI Program Mgr. at 254-200-3000. ♦

Fort Hood Military Housing, LP - New Development Partner

Fort Hood Military Housing, LP was selected as the private development partner for Fort

Hood, Texas, under the Army's new Residential Communities Initiative.

Fort Hood Military Housing, LP is a joint venture between Lend Lease Actus of Napa, California and Trammell Crow Residential of Atlanta, Georgia. They will be the Development Team to work in partnership with the Army leadership to develop a long term community and development management plan which will ensure that high quality housing and communities are available to soldiers and their families residing on-post for the next 50 years.

"The Lend Lease Actus Team" is a powerful example of the whole being greater than the sum of its parts. Each partner is a leader in its industry, and brings to the joint venture a depth of experience and performance record unmatched in its field. These skill sets are fully complementary and ensure that the LLA Team will provide high quality housing, management and maintenance services, backed by the long term commitment of strong companies," said Peter Koziol, Chief Executive Officer of Lend Lease Actus and the Development Team at Fort Hood.

Lend Lease Actus LLC is solely dedicated to long-term management of U.S. military housing privatization and construction. Lend Lease Actus is a subsidiary of Lend Lease Corporation, one of the world's largest real estate and financial services groups. It was formed in 1999 as a joint venture between Bovis Lend Lease (formerly Lend Lease Projects U.S.) and Actus Corporation, an award winning military housing design and construction contractor who has been involved exclusively in military housing nationwide for nearly 30 years.

Lend Lease Actus formed a joint venture with Trammell Crow Residential in order to pursue the Fort Hood privatization effort. Trammell Crow Residential (TCR) is the trade name for an organization of partners operating nationwide through a series of partnerships, joint ventures, limited liability companies and corporations. TCR Military Housing, Inc. (TCRMH) was created to concentrate TCR's efforts within the parameters of the Military Housing Privatization Initiative. As co-development partner they will

have primary responsibility for the property management program (resident services and maintenance) and the design and development of ancillary facilities.

The Fort Hood project allows the Development Team to participate in the development of the privatization of Fort Hood's military family housing. They view the privatization mechanism as a way to resolve the substantial shortages and backlog in maintenance in military housing. By applying private-sector resources, the needs of the military communities can be met in a timely manner that more quickly realizes high quality housing for soldiers and their families. ♦

FORT CARSON, COLORADO PROJECT AN EARLY SUCCESS

In less than a year of operation, the Fort Carson family housing privatization project is already an immense success.



In September 1999, the Army awarded a contract to the Fort Carson Family Housing, LLC, a subsidiary of J.A. Jones Inc.-- the eighth largest U.S. construction firm. The contract calls for the developer, FCFH, to fully renovate or replace the existing inventory of 1,823 family housing units over the first 5 years; and to operate and maintain them for 50 years. In the first two months of the contract, the developer doubled their maintenance workforce and opened up over 200 housing units that had been unoccupied because they needed maintenance. Families were able to move into the units before Christmas, and before many of the soldiers



deployed to the Balkans. This good news story is just a glimpse of what can be done under privatization.

In March 2000, Fort Carson held a groundbreaking ceremony to begin construction of the first new homes built under the RCI program. In



less than five years, FCFH will construct 840 new units. In total, the estimated construction costs for new and renovated units is \$220 million. Since the contract is for 50 years, the Army expects the contractor will build quality housing that can easily be maintained. Also, the FCFH will build or refurbish housing-related facilities like playgrounds, green areas, and recreation areas. The accompanying photos show ongoing construction and an artistic rendering of one style of the finished product.

About 17 percent of the soldiers stationed at Fort Carson are now able to reside on the installation. After renovations and construction are complete, about 27 percent of the soldiers will be residing on the installation. The Fort Carson

family housing privatization project will cause a very dramatic improvement in the quality of Fort Carson's family housing and improve living conditions for our soldiers and their families. ♦

FORT LEWIS, WASHINGTON

The RFQ solicitation for bids on the Ft. Lewis RCI pilot project closed in February. There was a short delay when an offeror filed a protest in May and then withdrew it in June. The 45 day congressional notification to award a contract for the CDMP development went forward in early July. We are expecting to select our development partner in late August and begin developing the CDMP.

The Army intends to renovate or replace more than 3,500 family housing units, construct as many as 360 new units, and also build ancillary facilities. The selected developer will operate and maintain all housing and facilities for the length of the contract. ♦

FORT MEADE, MARYLAND

The RFQs for the final RCI pilot site, Fort Meade, Maryland, closed on July 31, 2000. The Army intends to privatize 2,862 existing units; renovate or replace 2,600 of these units; construct as many as 308 new units; and, turn over AFH operations and management to a developer. The high level of industry interest, as evidenced by the participation of over 300 developers in the Fort Meade Family Housing Privatization Forum in May, continues with over 40 different firms visiting the RCI document room. In addition, 18 firms participated in a second site visit on July 12, 2000. The Army anticipates selecting a partner for development of the Community Development Management Plan by October 2000. ♦

FORT HOOD RCI TEAM

The Fort Hood RCI Team works directly for the Director of Public Works (DPW) and consists

of highly qualified individuals who have been detailed to work full time on the RCI project. The office is located in off-post leased office space in Killeen, TX. The Fort Hood Housing, LP is co-located with the Hood RCI team to facilitate a close working relationship while developing the Community Development and Management Plan (CDMP).

The RCI Office Chief, Mr. Robert Erwin, was formerly the chief of the Housing Engineering Branch, DPW Housing Division, and has overall project management responsibility for the Fort Hood project. Mr. Erwin's Assistant RCI Project Officer is Ms. Carol Anderson, formerly the chief of the Family Housing Branch, DPW Housing Division. In addition to being Assistant to the Team Chief, Ms. Anderson will lead the team working funding issues during CDMP development. Mr. Mike Nix is the current Chief, DPW Housing and will direct efforts in formulating the Master Plan and Construction portions of the CDMP. Ms. Ursula Rushing is also from the DPW Housing Office, serving as the Chief, Family Housing Branch. Ms. Rushing is leading two teams for CDMP development, Property Operations and Transition. Mr. Steve Schlabach is a Contracting Officer from the Fort Hood Contracting Command and will lead the Governance Team, working on fees, performance management and a communications plan during the CDMP phase. Sergeant First Class Phil Franklin is the Non Commissioned Officer in Charge of the RCI Office and with twenty years experience in the Army lends an excellent soldier's perspective to the project. Ms. Linda Ellerbe is a contract employee with ACS Government Solutions Group, Inc. and is the RCI Office Administrative Assistant/Program Analyst. She is instrumental in assuring that the office runs as smoothly as possible. Consultants from Jones Lang LaSalle will be assisting and advising the Fort Hood RCI Team in all areas of CDMP development. ♦